

### **REMARKS**

This responds to the Office Action mailed on March 3, 2006.

Claim 11 is currently amended. Claims 4, 10, 11, 22, 31, 42, and 43 have previously been amended. No claims are canceled, and no claims are added; as a result, claims 1-60 are now pending in this application.

#### **§112 Rejection of the Claims**

Claims 1-3, 11-21 and 31-60 were rejected under 35 U.S.C. § 112, first paragraph, as failing to comply with the enablement requirement. Specifically, the Office Action of October 7, 2005 contended that the “graceful decrement” yielded a result in days, not a reduced number of products. The Final Office action repeats this rejection. The Applicant continues to respectfully traverse this rejection.

In its communication of January 6, 2006, the Applicant pointed out that the determination of a graceful detriment involves more than one step, and further pointed out that the written description discloses the manner to determine the actual quantity ( $Q_{Ai}$ ) on pages 14-15. Indeed, the written description provides in an example that a graceful detriment for a product “A” is 666 units. The Final Office Action did not address the Applicant’s response. The Applicant respectfully requests that the Examiner reconsider this rejection, and further respectfully requests that this rejection be withdrawn.

Claims 10-12 were rejected under 35 U.S.C. § 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Specifically, the Final Office Action states that “the unit time of manufacture” in claim 11 lacks antecedent basis. The Applicant has amended claim 11 to address this rejection, and the Applicant respectfully submits that this rejection should be withdrawn.

§103 Rejection of the Claims

Claims 1-3, 5-8, 10, 16-17, 19-21, 23-26, 28, 30-32, 34-35, 37-41, 43-44, 46-49, 52-56 and 59-60 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Kennedy et al. (U.S. Patent No. 6,055,519). The Applicant respectfully traverses this rejection.

Claims 1 and 19 respectively recite a method for production management, and a computer-readable medium having computer-executable instructions to cause a computer to perform such a method. The claims recite the steps of “determining a reduced quantity of a requested product quantity in a customer order in reference to the inverse of the probability of profit of the product”, and “communicating the reduced quantity to a production management process.” There is nothing in the portion of the ‘519 patent cited by the Final Office Action (Col. 6, lines 26-33) that discloses at least “an inverse of the probability of profit of the product” or “communicating the reduced quantity to a production management process.” Consequently, because the cited art does not disclose, teach, or suggest each and every element of the claimed invention, a *prima facie* case of obviousness has not been established.

The Final Office Action states that the Examiner did not give weight to the claim term “inverse,” (page 3), and further concedes that “Kennedy et al. does not teach the step of determining the reduced quantity based on an inverse profit probability.” (page 10) The Applicant respectfully submits that it is improper for the Examiner to ignore claim limitations. The claims at issue recite an “inverse of the probability of profit,” the specification provides an example embodiment of such an inverse at page 13, and the claims should be examined as recited. The Applicant further respectfully submits that the admission in the Final Office Action that Kennedy et al. do not teach an inverse profit probability is most telling, and further respectfully submits that this shortcoming cannot be overcome simply by putting forth the general proposition that Kennedy implicitly teaches the step of identifying the most profitable products. Consequently, the Applicant respectfully, submits that claims 1-3, 5-8, 10, 16-17, 19-21, 23-26, 28, 30-32, 34-35, 37-41, 43-44, 46-49, 52-56 and 59-60 are patentable over Kennedy et al., and further respectfully submits that the rejection of these claims be withdrawn.

Similarly, every independent claim recites either an “inverse of the probability of profit” or an “inverse probability of profit.” Therefore, each and every claim includes at least this element that is not disclosed, taught, or suggested in Kennedy, and the Applicant respectfully

submits that the rejection of claims 2-3, 5-8, 10, 16-17, 20-21, 23-26, 28, 30-32, 34-35, 37-41, 43-44, 46-49, 52-56 and 59-60 under 35 U.S.C. § 103(a) be withdrawn.

Claims 4, 9, 11, 15, 18, 22, 27, 29, 33, 36, 42, 45, 50, 51, 57 and 58 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Kennedy et al. (U.S. Patent No. 6,055,519) as applied to claims 13, 31, 39, 43, 49 and 56 above, and further in view of Eder (U.S. Patent No. 5,615,109). The Applicant respectfully traverses this rejection.

As pointed out above, Kennedy et al. do not disclose, teach, or suggest at least an inverse probability of profit. The Eder patent does not remedy this shortcoming. Therefore, the Final Office Action fails to establish a *prima facie* case of obviousness, and the Applicant respectfully requests that the rejection of these claims be withdrawn.

*Response to Arguments in the Final Office Action*

The Final Office Action states that the Applicant's arguments that were filed on January 9, 2006 have been considered, but that those arguments were not found to be persuasive.

Specifically, the Final Office Action states that the Applicant argued that Kennedy et al. does not describe the inverse of the probability of profit in determining a reduction in quantity. In its response, the Final Office Action contends that one cannot show nonobviousness by attacking references individually where the rejections are based on combinations of references. (Final Office Action, page 2).

The Applicant respectfully submits that the contention in the Final Office Action is a non sequitur. First, claims 1-3, 5-8, 10, 16-17, 19-21, 23-26, 28, 30-32, 34-35, 37-41, 43-44, 46-49, 52-56 and 59-60 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Kennedy et al. (U.S. Patent No. 6,055,519) by itself. This particular rejection did not combine Kennedy with any other reference. Second, the Applicant has clearly argued that neither Kennedy nor Eder discloses, teaches, or suggests the inverse of the profitability of product. It simply does not matter whether a rejection under 35 U.S.C. § 103 is based on a single reference or a number of references if the prior art cited in the rejection does not disclose each and every element of the claims at issue. In either case, a *prima facie* case of obviousness has not been established.

The Final Office Action also attempts to redefine the inverse of the probability of profit as a probability of non-profitability, and further goes on to state that the Examiner has not given

weight to the claim term “inverse.” (Final Office Action, page 3). The Applicant is not entirely clear on this reasoning, and is especially unclear on what the Final Office Actions means by the probability of non-profitability. Notwithstanding, the Applicant respectfully submits that all of the claims recite an inverse of the probability of profit, that an example of the inverse profit probability is provided in Table 4 (page 13) of the written description, and that the claims should be examined based on the claims and the written description, not based on any re-definitions in the Final Office Action.

Lastly, the Final Office Action states that the Applicant has failed to adequately traverse the Examiner’s takings of Official Notice, and contends that the Applicant has waived any challenge to these Official Notices. The Applicant respectfully disagrees, and further emphasizes that it has not waived its right to challenge these Official Notices.

While the MPEP purports to require that an applicant state why a noticed fact is not considered to be common knowledge or well-known in the art, such a procedure is not in accordance with law. First, the case cited by the MPEP in support of this does not so state, and indeed suggests that an applicant may make a demand of the Examiner to produce authority for the contention in the Official Notice. (MPEP § 2144.03(C); *In re Chevenard*, 139 F.2d 711, 713, 60 USPQ 239, 241 (CCPA 1943) (“[I]n the absence of **any demand by appellant** for the examiner to produce authority for his statement, we will not consider this contention.”) (*Emphasis added*). The Applicant respectfully submits that in its response to the First Office Action, it did exactly what *Chevenard* required---the Applicant requested the Examiner to provide a reference that describes the element for which the examiner is taking Official Notice. Second, to the extent that the MPEP is placing a burden on an applicant, that burden is requiring an applicant to prove a negative (“stating why the noticed fact is **not** considered to be common knowledge”). The Applicant respectfully submits that it is not possible to prove that a fact is not within the common knowledge, and further submits that it is not proper to require an applicant to do so.

**CONCLUSION**

Applicant respectfully submits that the claims are in condition for allowance and notification to that effect is earnestly requested. The Examiner is invited to telephone Applicant's attorney (612) 341-2140 to facilitate prosecution of this application.

If necessary, please charge any additional fees or credit overpayment to Deposit Account No. 19-0743.

Respectfully submitted,

RAVINDRA K. SHETTY ET AL.

By their Representatives,

SCHWEGMAN, LUNDBERG, WOESSNER & KLUTH, P.A.

P.O. Box 2938

Minneapolis, MN 55402

(612) 341-2140

Date

May 3, 2006

By

David D'Zurilla

Reg. No. 36,776

**CERTIFICATE UNDER 37 CFR 1.8:** The undersigned hereby certifies that this correspondence is being deposited with the United States Postal Service with sufficient postage as first class mail, in an envelope addressed to: Mail Stop AF, Commissioner of Patents, P.O. Box 1450, Alexandria, VA 22313-1450, on this 3rd day of May, 2006.

Name

Dawn M. Poole

Signature

Dawn M. Poole